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TAGS: [PGOV](#) [PINR](#) [PREL](#) [PTER](#) [IT](#)
SUBJECT: ITALIAN INTELLIGENCE REFORM: EXTERNAL/INTERNAL
SERVICES REDefined, FINAL IMPACT UNCLEAR

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Classified By: Acting Political Minister Counselor Jonathan Cohen for reasons 1.4 (b) and (d).

¶1. (C/NF) Summary: On August 1, the Italian parliament approved an intelligence reform law that will become effective October 12, 2007. The new law more clearly delineates domestic and external intelligence services while creating a DNI-like coordinator and giving ultimate political authority/responsibility to the Prime Minister. In addition, the reform regulates the management of classified information, increases parliamentary oversight, and gives intelligence officers limited immunity from prosecution. The government must still draft implementing regulations that will influence the direction of the reforms and the extent to which the reforms will impact U.S. intelligence cooperation with Italy. That said, Post's initial assessment is that the reform brings positive changes. End Summary.

¶2. (U) The Italian parliament approved intelligence reform August 1. The official gazette published it on August 14, and it will become effective October 12. The government has up to 180 days from October 12 to issue implementing regulations mandated by the law.

New Names, Missions Redefined

¶3. (SBU) The reform defines Italy's intelligence services geographically. The current Military Intelligence and Security Service(SISMI), to become the Information Agency for External Security (AISE), will focus on operations abroad. The current Service for Information and Democratic Security(SISDE), to become the Information Agency for Internal Security (AISI), will operate domestically. This was already the tendency after recent leadership changes, but the geographic specializations are now enshrined in law.

AISE--"E" for the External Service

¶4. (C/NF) AISE will be charged with protecting the integrity and security of the Republic, specifically targeting external threats. AISE will also have exclusive competence over counter proliferation, threats to critical infrastructure/other national interests, and external counterintelligence. AISE will only be allowed to operate domestically in cooperation with AISI and only when those activities relate directly to on-going foreign operations. (Note: AISE workforce is mostly resident in Italy, so it is unclear how this change will impact staff and budget concerns. End note.)

AISI--"I" for the Internal Service

¶15. (SBU) AISI will be responsible for protecting the integrity and security of Italy's national territory. It will focus on domestically-based criminal or terrorist threats and counterintelligence. AISI can only operate abroad with the cooperation of AISE and only when such operations are directly linked to domestic AISI cases.

DIS-Italy's DNI

¶16. (C/NF) The Department for Security Information (DIS), previously known as the Executive Committee for Intelligence and Security Services (CESIS), will coordinate the work of Italy's intelligence services; conduct information exchanges with the police; monitor the legality of intelligence activities; establish and enforce classification guidelines; and manage Italy's intelligence archives. Our contacts have told us the GOI envisions transforming the DIS into an organization analogous to the US Office of the Director of National Intelligence, DNI.

Political Responsibility Held by Prime Minister

¶17. (U) The new law places ultimate responsibility for intelligence activities within the Office of the Prime Minister. The directors of each intelligence service and the DIS will report directly to the PM, in addition to parallel reporting requirements to the Ministers of Foreign Affairs, Defense and Interior. Prior to the reform, the directors of the AISE and AISI reported to the Defense and Interior Ministers, respectively. The PM may delegate functional oversight responsibility for both services to either a

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Minister without Portfolio or an Undersecretary in the Council of Ministers, but the PM will remain ultimately responsible.

Handling Classified Information

¶18. (C/NF) A case involving the alleged rendition of Muslim cleric Abu Omar and the prosecution of former SISMI Chief Pollari sparked a domestic debate on the need for and oversight of state secrets. The current system allows the government to indefinitely classify intelligence activities. According to the new law, classified material will be declassified automatically by one level after five years and fully declassified after an additional five years. Under special procedures, material can remain classified for up to 15 years, and only the PM will be able to extend classification beyond 15 years. These provisions will not block access by the Constitutional Court, Italy's highest court, to classified material.

¶19. (C/NF) In cases where maintaining secrecy stems from international agreements, the material can be declassified only with approval by the agreement's international partner. However, the law will permit declassification under extenuating circumstances.

Protecting Intel Officers

¶10. (C/NF) New measures to protect intelligence officers are designed to insulate them from the risk of prosecution for acts committed in the course of regular duty. However, the PM must explicitly determine that their actions are "essential for institutional reasons" for this provision to apply, and it will not apply in cases that affect the "health or freedom of others." Under the previous law, officers were

obliged to abide by Italian law even when conducting operations overseas. It is unclear how or if the new law will modify this legal restriction.

Increased Parliamentary Oversight....Sort of

¶11. (U) The new law will also increase parliamentary oversight. It increases the membership of the joint bipartisan committee charged with overseeing intelligence activities. The expanded committee can declassify information for investigative purposes with a unanimous vote.

Details to be Ironed Out

¶12. (C/NF) The reform does not clarify how the services will coordinate on transnational threats or how the DIS will mediate inter-agency disagreements, given that both service chiefs report directly to the Prime Minister. As noted above, the law will permit declassification of information obtained through liaison activity under extenuating circumstances but does not precisely define those circumstances. Our contacts tell us that once the law comes into force, the GOI will form an implementation committee that will address these important details. The process of drafting and approving the implementing regulations is expected to last about six months. We anticipate the current directors of CESIS (DIS), SISMI (AISE) and SISDE (AISI) will be reconfirmed in their new capacities.

Comment

¶13. (C/NF) The reform goes a long way toward better defining the responsibilities of Italy's sometimes competing intelligence services, though strictly defining the two intelligence services along geographic lines raises the concern of how they will coordinate against transnational threats. Separately, clarification of classification procedures is a positive step, as is the granting of limited prosecutorial immunity for intelligence officers. Ultimately, the success or failure of the reform and its impact on U.S. cooperation with Italian intelligence agencies will depend on the implementing regulations and other decisions taken by the implementation committee. Nevertheless, our preliminary assessment of the reform is positive. End comment.

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